VZCZCXRO0676 PP RUEHBC RUEHDE RUEHKUK DE RUEHRH #7501/01 2691407 ZNY SSSSS ZZH P 261407Z SEP 06 FM AMEMBASSY RIYADH TO RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY RUEHC/SECSTATE WASHDC PRIORITY 1809 INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE RUCNIRA/IRAN COLLECTIVE RUEHJI/AMCONSUL JEDDAH 7747 RUEAIIA/CIA WASHDC RHRMAKS/COMUSNAVCENT RUCPDOC/DEPT OF COMMERCE WASHDC RHMCSUU/FBI WASHINGTON DC RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEAORC/HQ ICE IAO WASHINGTON DC RUEAORC/HQ ICE DRO WASHINGTON DC RUEKJCS/JOINT STAFF WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHINGTON DC RUEHUNV/USMISSION UNVIE VIENNA 0017 RHEHAAA/WHITE HOUSE WASHINGTON DC

S E C R E T SECTION 01 OF 03 RIYADH 007501

SIPDIS

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NNSA FOR KILMARTIN AND FINK; PNNL FOR WALLIS.

E.O. 12958: DECL: 09/16/2016

TAGS: KNNP ENRG PARM OTRA PREL PGOV SA

SUBJECT: SAUDIS SHOW HIGH LEVEL OF INTEREST IN MEGAPORTS

INITATIVE

REF: SECSTATE 141000

Classified By: A/DCM David Rundell for reasons 1.4 (b) and (d).

- $\P 1$ . (S) Summary and Comment: The SAG appears to be seriously considering implementing the Megaports Initiative (MI) to provide radiological/nuclear materials detection equipment in the Kingdom's two largest ports of Jeddah and Dammam. During their September 8-13 Megaports outreach visit to the Kingdom, three U.S. Department of Energy representatives met with officials from the Interior and Foreign Ministries, and toured the Jeddah and Dammam ports. The Saudi officials noted that King Abdullah was  $\bar{\mathsf{a}}\mathsf{ware}$  of the DOE visit and that he would be formally briefed on the MI. At the end of their visit, the DOE discussed the following next steps toward implementing MI in the Kingdom: 1) allowing a SAG delegation to visit a U.S. and/or foreign port where the MI is operational; 2) allowing a SAG delegation to observe a Megaports operator training course at the Pacific Northwest National Laboratory; and 3) providing the SAG with a sample Memorandum of Understanding. End Summary and Comment.
- 12. (S) During their September 8-13 visit to Saudi Arabia two officials from the DOE's National Nuclear Security Administration (NNSA) and a technical expert from the Pacific Northwest National Laboratory (PNNL) discussed the Megaports Initiative with officials from the Saudi interior and foreign ministries. The Megaports team, along with PolMilOff, toured the ports of Jeddah and Dammam, and met the top port and customs officials in both cities. Six officials from the Ministry of Interior (MOI) escorted the Megaports team throughout their stay in the Kingdom.

## U.S. Participants

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William Kilmartin, NNSA, Megaports Initiative Program Director Michael Fink, NNSA, Megaports Initiative Project Manager Bruce Wallis, PNNL, Megaports Initiative Project Manager

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Mr. Naif al-Sudairy, Counselor, International Organizations, Ministry of Foreign Affairs

Mr. Sahir Tahlawi, Director General Jeddah Islamic Port Mr. Suleiman Abdullah al-Tuwaijri, Director General Jeddah Customs

Mr. Naeem Ibrahim al-Naeem, Director General Dammam Port Mr. Othman Abdulrahman al Rifiye, Director General Dammam Customs

COL Engineer Muhammad Nasir al-Mihwis, Ministry of Interior CDR Mohammed Ali al-Faridi, Ministry of Interior/Border Guards LTC Dr. Emad Muhammad Saleh Altaf, Ministry of Interior (nuclear/biological/chemical sciences)

MAJ Engineer Ali Abdulrahman al-Shehri, Ministry of Interior/Civil Defense

CPT Abdullah bin Abdulrahman al-Miqrin, Ministry of Interior/Public Security (explosives technician) Engineer Musa Hussein Waheesi, Ministry of Interior (intelligence)

Also present in Jeddah and Dammam were several Saudi Coast Guards officers

## 100% CONTAINER SECURITY

13. (S) The port directors at Jeddah and Dammam said that 100% of all imported containers are either X-rayed or manually inspected. Customs officials at the ports of Jeddah and Dammam currently operate five highly sophisticated X-ray systems that can scan the contents of up to 40 semi-truck sized containers per hour. Jeddah operates three of the

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X-ray systems while Dammam has two, which reportedly cost 20 million USD each. The Jeddah port director said that 60% of all containers imported through Jeddah are X-rayed and the remaining 40% are hand-inspected. The Dammam port director said that approximately half of all containers arriving in Dammam are X-rayed and the other half are inspected by hand. According to the Dammam authorities, the bulk of imported goods are foodstuffs and construction materials.

- 14. (S) The port directors added that much of the Kingdom's exported cargo is already either manually inspected or X-rayed. The bulk of Saudi exports are from the petrochemicals industry, particularly SABIC, the Kingdom's largest exporter. The Jeddah customs director said that customs officials are permanently stationed at SABIC's export facilities, where they verify the shipments, seal the containers and clear the products for export. He added that most containers exported from smaller, unknown entities are X-rayed.
- 15. (S) During their September 10 meeting at the Port Authority Headquarters in Riyadh, the Dammam port director told the Megaports team, "security is our first priority, for both imports and exports." The port authorities said that they are most concerned about the smuggling of drugs, alcohol, weapons and other contraband. The Jeddah port director said that drug smuggling was his primary concern, but he was not too concerned about alcohol, which is illegal in the Kingdom. The Dammam port director said that both drugs and alcohol were a problem, and he showed the Megaports visitors several X-ray images of alcohol smuggled in a shipment of pottery.

## MEGAPORTS NEXT STEPS

16. (S) All of the SAG officials with whom the DOE team met appeared genuinely interested in implementing the MI. Both the Dammam and Jeddah port directors said that they would recommend implementing the MI to their leadership, and added that they help push the SAG to take the necessary next steps.

The DOE team discussed with their MOI interlocutors the following possible next steps:

- a) SAG officials to visit a U.S. and/or international port where MI is operational;
- b) SAG officials to visit PNNL's HAMMER Training Facility to observe a MI operators training course;
- c) DOE to provide the SAG with a draft or sample MI Memorandum of Understanding (MOU).
- 17. (S) The MOI officials said that they were eager to take these next steps, after which they would submit their official report and recommendations to the senior SAG leadership. However, the MOI officials said that the timing could be difficult because of Ramadan (late September-late October) and MOI's official duties to support the Hajj pilgrimage to Mecca (December-January). In the coming weeks, DOE intends to provide the SAG with a draft MOU and to propose dates to visit MI ports in early November.
- 18. (S) Comment: The SAG demonstrated an uncharacteristically high-level of interagency cooperation in hosting the Megaports team. MFA had the overall lead in developing the itinerary and coordinating meetings. However, MOI--whose authority includes border security, civil defense, intelligence, coast guards, and WMD defense--was the primary interlocutor for the group and would likely have oversight over the implementation of the Megaports Initiative. The actual operators of the radiation detection equipment would likely be Saudi Customs officials, who fall under the Ministry of Finance. Finally, the Saudi Port Authority

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belongs to the Ministry of Transportation. The Megaports team met with representatives from each of these agencies, all of whom were equally hospitable and receptive to the proposal.

19. (S) Comment Continued: During their stay in the Kingdom, the Megaports team was housed at the Conference Palace Hotels in Riyadh, Jeddah and Dammam--an honor normally only granted to senior level delegations and guests of the King. The MOI and MFA representatives said that King Abdullah was personally interested in the Megaports visit and that he would be briefed on the team's findings. Such high-level interest indicates that the SAG is serious about implementing the MI and reflects the Kingdom's ongoing concerns with Iran's nuclear weapons ambitions. End Comment.

OBERWETTER